

BUDGET LETTER

		NUMBER:	BL 01-10
SUBJECT:	YEAR-END ENCUMBRANCE REPORTING	DATE ISSUED:	April 16, 2001
REFERENCES:	SAM SECTIONS 7952, 10602, AND 10608	SUPERSEDES:	MANAGEMENT MEMO 95-08

TO: Agency Secretaries
Department Directors
Departmental Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

NOTE: This Budget Letter (BL) provides technical information to departmental Accounting Officers about a change for the 2000-01 fiscal year-end reports. Other addressees are provided this BL for informational purposes.

This BL notifies departmental Accounting Officers of a technical change in reporting encumbrances and related reimbursements for the 2000-01 year-end financial reporting. This change will reduce unnecessary workload for the State Controller's Office (SCO) and departments.

At year-end, an encumbrance exists when there is a commitment against an appropriation where goods and services have been ordered but will not be received until after June 30. Thus payment of encumbrances will not have occurred by June 30. A payable exists when there is a valid obligation against an appropriation where the goods and services have been received, but payment will not occur until after June 30.

Prior to this year, departments reported year-end encumbrances and payables in multiple liability accounts. For the 2000-01 year-end reporting, departments will report encumbrances in a single liability account only. Payables (obligations where goods and services have been received) will continue to be reported in the multiple accounts.

Accounting Officers are referred to this BL's attachments for more detailed instructions and examples of the accounting procedures. This reporting change has been coordinated with the SCO and is being included in its year-end training.

For CALSTARS departments, detailed procedures for the encumbrance liability and any related reimbursement will be further provided in the CALSTARS year-end training. Direct any questions to the CALSTARS hotline at (916) 327-0100, CALNET 467-0100, or e-mail [HOTLINE @dof.ca.gov](mailto:HOTLINE@dof.ca.gov).

Other departments are directed to contact the Fiscal Systems and Consulting Unit at (916) 324-0385, CALNET 454-0385, or e-mail FSCUHotline@dof.ca.gov for assistance.



Yoshie Fujiwara
Program Budget Manager

Attachments

Detailed Instructions for Year-End Encumbrance Reporting for 2000-01

Budget Letter 01-10 notifies departments of changes to the year-end financial reporting requirements for encumbrances and any related reimbursements. The requirements are effective with the fiscal year 2000-01 year-end financial statements.

At year-end, departments identify the amount of payables and the amount of encumbrances as of June 30. Payables are goods and services received that have not been scheduled for payment or reimbursement as of June 30. Encumbrances represent commitments for goods and services that will be received in the following year. In the past, payables and encumbrances were reported in the applicable liability general ledger accounts (GLA): Accounts Payable (GLA 3010), Due to Other Funds or Appropriations (GLAs 3114 and 3115), or Due to Other Governments (GLAs 3210, 3220, and 3290).

Currently, the State Controller's Office (SCO) must reduce all applicable liability accounts that include an amount for encumbrances in preparation of the State's Annual Report. To facilitate the SCO's process, departments will report all liabilities for encumbrances in one liability account, Accounts Payable (GLA 3010). The total encumbrances will be shown as a credit in the encumbrances column for GLA 3010 on the Report of Accruals to Controller's Accounts, Report No. 1. (See Attachment page 3 of 5.)

In addition, any accrued reimbursement that will fund an encumbrance will be reported in one asset account, Accounts Receivable-Reimbursements (GLA 1312). The reimbursement for encumbrances will be shown as a debit in the encumbrances column for GLA 1312 on the Report of Accruals to Controller's Accounts, Report No. 1. (See Attachment page 2 of 5.)

If significant modifications to departments' accounting systems are needed to meet the new encumbrance reporting, departments are granted an exemption for 2000-01 only. Exemptions for subsequent years must be requested from the Department of Finance, Fiscal Systems Consulting Unit.

As described above, the reporting change is to the liability accounts for encumbrances and the asset accounts for any related reimbursement. Payables will continue to be reported in the applicable liability accounts.

CONTROLLER'S USE ONLY

REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS

Document No.	C C Y Y M M D D	Fund	Agy

June 30, 20__

Page __1__ of __4__

Agency (name and number) State Agency (5555)		Fund (name and number) GENERAL FUND - 0001	
Name of Contact Person (Please Type or Print) Jane Smith	Title Accounting Administrator	Telephone Number (916) 444-5555	

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 20th day of July, 20__, at Sacramento, California.

AUTHORIZED SIGNATURE _____

ACCOUNT TITLE	ENCUMBRANCES	D C	ACCOUNT	AMOUNT	D C
GENERAL CASH			1 1 1 0	220,259.38	D
REVOLVING FUND CASH			1 1 3 0	79,799.46	D
CASH IN TRANSIT TO STATE TREASURY			1 1 5 0		
CASH ON HAND			1 1 9 0	2,850.00	D
ACCOUNTS RECEIVABLE - ABATEMENTS			1 3 1 1	10,311.29	D
ACCOUNTS RECEIVABLE - REIMBURSEMENTS			1 3 1 2	405,666.78	D
ACCOUNTS RECEIVABLE - REVENUE			1 3 1 3		
ACCOUNTS RECEIVABLE - OTHER			1 3 1 9	94,500.52	D
ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS (CREDIT BAL.)			* 1 3 9 0		
DUE FROM OTHER FUNDS			** 1 4 1 0	1,250,822.34	D
DUE FROM OTHER APPROPRIATIONS			1 4 2 0	2,924,570.51	D
Net Debits / Credits			281,785.40	D	
			Net Debits / Credits	4,988,780.28	D

Total encumbrances funded by reimbursements (previously reported to the applicable general ledger asset accounts or "Due Froms")

* Specify the receivable account to which this pertains.

** Specify the fund to which this pertains.

CONTROLLER'S USE ONLY

Document No.	C C Y Y M M D D	Fund	Agy

REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS

June 30, 20__

Page 2 of 4

Agency (name and number) State Agency (5555)		Fund (name and number) GENERAL FUND - 0001			
ACCOUNT TITLE	ENCUMBRANCES	D C	ACCOUNT	AMOUNT	D C
DUE FROM OTHER GOVERNMENTAL ENTITIES			1 5 9 0	216,978.22	D
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL.)			* 1 6 0 0 0 1 3 1 5	2,364.00	C
EXPENSE ADVANCES			1 7 1 0	237,018.26	D
ACCOUNTS PAYABLE			3 0 1 0	6,811,660.86	C
CLAIMS FILED			3 0 2 0	2,567,760.00	C
DUE TO OTHER FUNDS			** 3 1 1 4 0 0 4 4	652,699.52	C
DUE TO OTHER APPROPRIATIONS			3 1 1 5	819,276.90	C
DUE TO LOCAL GOVERNMENT			3 2 2 0	1,043,272.96	C
REVENUE COLLECTED IN ADVANCE			3 4 1 0		
REIMBURSEMENTS COLLECTED IN ADVANCE			3 4 2 0	34,851.21	C
UNCLEARED COLLECTIONS			3 7 3 0	119,850.41	C
ACCOUNTS RECEIVABLE - DISHONORED CHECKS			** 1 3 1 5	2,364.00	D
CONTINGENT RECEIVABLES			1 3 8 0	383,091.67	D
PROVISION FOR DEFERRED RECEIVABLES			1 6 0 0 0 1 3 1 9	94,500.52	C
PROVISION FOR DEFERRED RECEIVABLES			1 6 0 0 0 1 3 8 0	383,091.67	C
Net Debits / Credits			3,451,622.13	C	
			Net Debits / Credits	11,689,875.90	C

* Specify the receivable account to which this pertains.

** Specify the fund to which this pertains.

ORIGINAL AND ONE COPY -- Controller, Division of Accounting and Reporting

Attachment 3 of 5

CONTROLLER'S USE ONLY

Document No.	C C Y Y M M D D	Fund	Agy

REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS

June 30, 20__

Page ___3___ of ___4___

Agency (name and number)		Fund (name and number)			
State Agency (5555)		GENERAL FUND - 0001			
ACCOUNT TITLE	ENCUMBRANCES	D C	ACCOUNT	AMOUNT	D C
DUE FROM OTHER FUNDS			1 4 1 0 0 2 3 6	587,304.91	D
DUE FROM OTHER FUNDS			1 4 1 0 0 7 4 0	3,239,702.26	D
DUE TO FEDERAL GOVERNMENT			3 2 1 0	378,747.59	C
DUE TO OTHER GOVERNMENTAL ENTITIES			3 2 9 0	2,642,075.81	C
DUE FROM OTHER FUNDS			1 4 1 0 0 0 2 5	203,855.44	D
DUE FROM OTHER FUNDS			1 4 1 0 0 0 2 8	1,221,376.10	D

ORIGINAL AND ONE COPY -- Controller, Division of Accounting and Reporting

FORM 571-C (03/1996)

CONTROLLER'S USE ONLY

DOCUMENT NO:

DATE:

FUND: 0001000 GENERAL FUND

STATE CONTROLLERS OFFICE
REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS
JUNE 30, 20 ____

CONTROLLER'S USE ONLY

CURSORY REVIEW

COMP. INPUT

EXPENDITURES

REVENUES

WORKSHEET/ACC. ACCUM.

AGENCY:

MAILCODE:

ENTER													**ENTER**			
ACCOUNT DESCRIPTION	ENCUMBRANCE	D/C	FY	M	REF	CA	PG	EL	COM	TSK	T	SFUND	B	REV/OBJ	ACCRUAL AMOUNT	D/C
A - Registrations	1,622,592.89	D	2000		001		10				D				12,410,345.43	D
B - Evaluations	502,217.01	D	2000		001		20				D				2,036,656.64	D
C - Administration	595,020.24	D	2000		001		30	01			D				2,992,991.88	D
D - Distributed Administration	595,020.24	C	2000		001		30	02			D				2,995,632.10	C
Clearing Account			2000		001		99				D				10,967,098.95	C
E - Reimbursements	227,463.85	C	2000		001	90					F	0001000			1,781,600.01	C
Revolving Fund Advance			2000		001	97					D		3		500,000.00	C
Local Assistance			2000		101						T				2,500,000.00	D
A - Registrations	1,311,350.24	D	1999		001		10				D				1,415,063.83	D
B - Evaluations	15,461.99	D	1999		001		20				D				130,777.97	D
C - Administration			1999		001		30	01			D				3,901.34	D
D - Distributed Administration			1999		001		30	02			D				3,901.34	C
Clearing Account			1999		001		99				D				326,353.87	C
E - Reimbursements	54,321.55	C	1999		001	90					F	0001000			440,488.14	C
Clearing Account			1998		001		99				D		3			
Sales of Documents			2000								R			0141200	151.00	C
Misc. Services to the Public			2000								R			0142500	4,559.60	C
Escheat-Checks, Warrants			2000								R			0161000	71.77	C
Miscellaneous Revenue			2000								R			0161400		
Refunds to Reverted Appropriations			1999								R			0500000	200.00	C
NET DEBITS/CREDITS	3,169,836.73	D									NET DEBITS/CREDITS				4,469,680.31	D